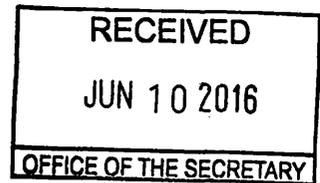


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UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-15617

In the Matter of
LARRY C. GROSSMAN
and GREGORY J. ADAMS,
Respondents.

LARRY C. GROSSMAN'S NOTICE OF FILING SUPPLEMENTAL AUTHORITY

Respondent, Larry C. Grossman ("Grossman"), through the undersigned counsel files this Notice of Supplemental Authority in support of Grossman's Initial and Reply Brief seeking to reverse the Law Judge's penalty and disgorgement award, because such award was barred by 28 U.S.C. §2462's five-year statute of limitations.

DISCUSSION

In support of his argument that the Law Judge erred in issuing a penalty and disgorgement award against him, Grossman cited to *Gabelli v. SEC*, 133 S. Ct. 1216 (2013) and *SEC v. Graham*, 21 F. Supp. 3d 1300 (S.D. Fla. 2014) wherein the district court, applying the principals espoused by the Supreme Court in *Gabelli*, found that §2462's five-year statute of limitation barred all forms of relief, including disgorgement, sought by the SEC against the respondent. See Initial Brief at p. 16. ("Graham Decision"). The SEC, in an attempt to minimize the impact of the Graham Decision, likened it to "an isolated decision reached by one federal district court" that has "little to no value in this case." See Answer Brief at p. 32.

During the pendency of this action, the SEC appealed the Graham Decision to the Eleventh Circuit arguing, among other things, that the district court erred in finding that §2462's

five-year statute of limitations applied to the SEC's equitable remedies such as disgorgement ("Graham Appeal"). The Eleventh Circuit considered the Graham Appeal *de novo* and, on May 26, 2016, affirmed the district court's ruling finding as a matter of law that the SEC's demand for disgorgement is time-barred, because "under the plain meaning of 28 U.S.C. §2462, these remedies are a penalty and a forfeiture" subject to §2462's five year statute of limitations. *See SEC v. Barry J. Graham, et al.*, 2016 WL 3033605 (11th Cir. May 26, 2016).

As affirmed by the Eleventh Circuit, the Graham Decision is no longer an "isolated decision reached by one federal district court", but rather the only federal appellate case that the undersigned could find addressing the issue of whether §2462's five-year statute of limitations is applicable to disgorgement after the Supreme Court's holding in *Gabelli*. As a result, the Eleventh Circuit's decision finding that §2462's five-year statute of limitations is applicable to disgorgement is controlling, and the SEC remedy of disgorgement against Grossman is time-barred.

CERTIFICATE OF SERVICE

I hereby certify that on June 8, 2016, an original and three (3) copies of the foregoing were sent Federal Express and fax (703-813-9793) to be filed with the Securities and Exchange Commission, Office of the Secretary, 100 F. Street, N.E., Washington D.C. 20549-9303, and that a true and correct copy of the foregoing has been served on the following persons entitled to notice as follows:

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